

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6265

BILL NUMBER: SB 43

NOTE PREPARED: Feb 28, 2008

BILL AMENDED: Feb 26, 2008

SUBJECT: Environmental Matters.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR: Rep. Dvorak

BILL STATUS: As Passed House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill does the following.

Environmental Rules. This bill requires, with respect to environmental rules subject to automatic expiration, the Department of Environmental Management (IDEM) or the appropriate rulemaking board to publish a notice identifying which of the rules will be readopted. It requires IDEM or the board, on request of a person, to consider readoption of an environmental rule that IDEM or board proposes to allow to expire.

Wetlands. This bill exempts certain wetlands from property taxation.

Regulatory Flexibility Committee. The bill requires the committee to study tree-trimming practices of utilities and to report to the Legislative Council not later than December 1, 2008.

Solid Waste Management Districts. The bill provides that a joint solid waste management district has the power to pay a fee to a county that (1) was part of the joint district; (2) has withdrawn from the district as of January 1, 2008; and (3) has established its own district in which a final disposal facility is located.

Storm Water Management. The bill establishes procedures to prevent a county department of storm water management and a municipal works board from imposing fees in the same area for storm water management.

Effective Date: (Amended) January 1, 2008 (retroactive); Upon passage.

Explanation of State Expenditures: *Environmental Rules.* IDEM should be able to publish a notice identifying which of the rules will and will not be readopted given its existing level of resources. IDEM

would also have the budget and resources to consider readoption of rules. For FY 2007, IDEM reverted \$2.7 M to the state General Fund.

(Revised) *Regulatory Flexibility Committee*. Adding the topic of tree-trimming practices of utilities and requiring a report to the Legislative Council not later than December 1, 2008, should not significantly increase costs to the Legislative Services Agency, which provides administrative support to the committee.

Explanation of State Revenues: (Revised) *Wetlands*. This bill exempts certain wetlands from property taxation. Under existing law, the state collects \$0.0008 per \$100 assessed value (AV) for the State Fair and \$0.0016 per \$100 AV for State Forestry. Any reduction in AV would reduce revenue generated for these funds. The overall impact is not expected to be significant.

Explanation of Local Expenditures: (Revised) *Solid Waste Management Districts*. The bill provides that a joint solid waste management district has the power to pay a fee to a county that (1) was part of the joint district; (2) has withdrawn from the district as of January 1, 2008; and (3) has established its own district in which a final disposal facility is located. This provision allows a qualifying district to pay fees to a county. It is anticipated that the impact will be significant only to two possible districts.

Explanation of Local Revenues: *Storm Water Management*. The bill establishes procedures to prevent a county department of storm water management and a municipal works board from imposing fees in the same area for storm water management. Local units, if any, that are imposing fees on the same area could lose revenue. If the provision encourages local units to agree on fees in the future, then future revenue streams should not be affected. However, if local units cannot agree, then units may lose revenue. The impact will depend on local action.

(Revised) *Wetlands*. Exempting certain wetlands from property taxation could reduce revenue collected for funds whose levies are not capped but whose rates are. Exempting wetlands would also shift the tax burden to all taxpayers. The overall impact, however, is not expected to be significant because wetland property is assessed at a low rate to begin with. Wetlands are assessed at the agricultural land base rate, which for the March 1, 2008, assessment date for taxes payable in 2009 is \$1,200 per acre. Then an adjustment is applied based on how often the land floods. The reduction in AV for flooding can range from 30% to 50%.

(Revised) *Solid Waste Management Districts*. The bill provides that a joint solid waste management district has the power to pay a fee to a county that (1) was part of the joint district; (2) has withdrawn from the district as of January 1, 2008; and (3) has established its own district in which a final disposal facility is located. This provision could increase revenue to the county by an indeterminable amount. The impact will depend on local action for a limited number of districts.

State Agencies Affected: Department of Local Government Finance (DLGF); IDEM.

Local Agencies Affected: County departments of storm water management and municipal works boards; civil taxing units and school corporations; County auditors; County property tax assessment boards of appeal.

Information Sources: IDEM; Barry Wood, DLGF.

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